



Tax Law Update - Germany

VAT registration in Germany for foreign e-commerce sellers

Foreign e-commerce sellers obligation to remit VAT in Germany

E-commerce sellers are under obligation to remit VAT on behalf of their customers when selling goods:



A) from a warehouse in Germany to a customer in Germany



B) from a warehouse in another EU member state to a customer in Germany when exceeding certain thresholds



C) from a non-EU country to a customer in Germany, if the seller or his/her agent submits the import clearance information.

We offer

-  **Advice on all VAT issues**
-  **Handling of VAT registration in Germany**
-  **Correspondence with German tax office**
-  **Preparation of VAT returns**

The regular VAT rate is 19% (for goods and services like electronics, clothing and shoes, toys, etc.). There is a reduced 7% rate for specific goods (e.g. books, coffee, tea...).

To remit VAT foreign sellers need to register with local tax authorities.

What is new? Platform operators in the spotlight – new German legislation

The German parliament has passed a new law under which online marketplaces (Amazon, ebay, Alibaba, etc.) are liable for unpaid VAT by sellers on their platforms, starting March 1st, 2019. As a result, we expect marketplaces to exclude their sellers if they do not present a tax registration certificate.

What e-commerce sellers need to do – tax registration and obligations in Germany

As the registration applications have increased dramatically (especially applications from Chinese sellers), the whole registration process may take several months according to the responsible tax office.

➔ **Online sellers should register as soon as possible in order to obtain a registration certificate!**

Contact our VAT experts

For more details or assistance with the registration process, please do not hesitate to contact us!



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